



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor

Kathleen Clarke  
Executive Director

Lowell P. Braxton  
Division Director

1594 West North Temple, Suite 1210

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801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

April 12, 1999

Robert Prescott  
Summo USA Corporation  
P.O. Box 847  
Moab, Utah 84532

Re: Receipt of Rider to Surety Bond, Summo USA Corp, Lisbon Valley Project, M/037/088, San Juan County, Utah

On August 8, 1999 we received a rider from U.S. Fidelity reducing the amount of reclamation surety bond # 1 from \$2,689,000 to \$69,900 as authorized by the Division Director's letter of March 10, 1999. All other terms and conditions of the original surety remain unchanged.

Please contact me at (801) 538-5267 If you have any questions in this regard.

Sincerely,

Anthony A. Gallegos  
Senior Reclamation Specialist

jb

Enclosure: copy of rider

cc: Pat Gochnour, Gochnour & Assoc. w/encl  
Will Stokes, SITLA w/encl  
Sal Venticinque, BLM, Moab FO w/encl

M37-88.red

**SURETY BOND RIDER**

7/1037/088

To be attached to Bond Number: \_\_\_\_\_ issued by:

**United States Fidelity and Guaranty Company**

(As Surety) in the amount of **Two Million Six Hundred Eighty Nine Thousand Dollars and No/100 (\$2,689,000.00)**

Effective the **2nd** day of **July, 1997**

ON BEHALF OF: **LISBON VALLEY MINING COMPANY LLC**

IN FAVOR OF: **STATE OF UTAH**

In consideration of the premium charged for the attached bond, it is mutually understood and agreed by the Principal and the Surety that the amount shall be modified to read as follows:

The above said bond amount shall be decreased from the above to: **Sixty-Nine Thousand Nine Hundred Dollars and No/100 (\$69,900.00)**. A difference of: **Two Million Six Hundred Nineteen Thousand and One Hundred Dollars and No/100 (\$2,619,100.00)**

All other items, limitations and conditions of said bond except as herein modified shall remain unchanged.

The rider shall be effective as of the **29th** day of **March, 1999**

Signed sealed and dated this **29th** day of **March, 1999**

**SEAL**

**Lisbon Valley Mining Company LLC**

*James D Frank*  
By: **V.P. FINANCE, SUMMO USA CORP**  
**MANAGER**

**SEAL**

**United States Fidelity and Guaranty Company**

*Ava M. Schaefer*  
By: **Ava M. Schaefer, Attorney-In-Fact**

# United States Fidelity and Guaranty Company

## Power of Attorney

No. 109897

Know all men by these presents: That **United States Fidelity and Guaranty Company**, a corporation organized and existing under the laws of the State of Maryland and having its principal office at the City of Baltimore, in the State of Maryland, does hereby constitute and appoint **James H. Godfrey, Jr., Phillip S. McCrorie and Ava M. Schaefer**

of the City of **Lexington**, State of **Kentucky** its true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign its name as surety to, and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments in the nature thereof on behalf of the Company in its business of guaranteeing the fidelity of persons; guaranteeing the performance of contracts; and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

In Witness Whereof, the said **United States Fidelity and Guaranty Company**, has caused this instrument to be sealed with its corporate seal, duly attested by the signatures of its Vice President and Assistant Secretary, this **13th** day of **June**, A.D. 19 **97**.



**United States Fidelity and Guaranty Company.**

(Signed) By James H. Godfrey, Jr.  
Vice President

(Signed) By Thomas E. Huijbregtse  
Assistant Secretary

State of Maryland )

Baltimore City )

SS:

On this **13th** day of **June**, A.D. 19 **97**, before me personally came **Gary A. Wilson**, Vice President of **United States Fidelity and Guaranty Company**, and **Thomas E. Huijbregtse**, Assistant Secretary of said Company, with both of whom I am personally acquainted, who being by me severally duly sworn, said, that they, the said **Gary A. Wilson** and **Thomas E. Huijbregtse** were respectively the Vice President and the Assistant Secretary of the said **United States Fidelity and Guaranty Company**, the corporation described in and which executed the foregoing Power of Attorney; that they both knew the seal of said corporation; that the seal affixed to said Power of Attorney was such corporate seal, that it was so affixed by order of the Board of Directors of said corporation, and that they signed their names thereto by like order as Vice President and Assistant Secretary, respectively, of the Company.

My Commission expires the **1st** day of **August**, A.D. 19 **98**.



(Signed) By Thomas E. Huijbregtse  
Notary Public

This Power of Attorney is granted under and by authority of the following Resolutions adopted by the Board of Directors of the **United States Fidelity and Guaranty Company** on September 24, 1992:

**Resolved**, that in connection with the fidelity and surety insurance business of the Company, all bonds, undertakings, contracts and other instruments relating to said business may be signed, executed, and acknowledged by persons or entities appointed as Attorney(s)-in-Fact pursuant to a Power of Attorney issued in accordance with these resolutions. Said Power(s) of Attorney for and on behalf of the Company may and shall be executed in the name and on behalf of the Company, either by the Chairman, or the President, or an Executive Vice President, or a Senior Vice President, or a Vice President or an Assistant Vice President, jointly with the Secretary or an Assistant Secretary, under their respective designations. The signature of such officers may be engraved, printed or lithographed. The signature of each of the foregoing officers and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Attorney(s)-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and subject to any limitations set forth therein, any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is validly attached.

**Resolved**, That Attorney(s)-in-Fact shall have the power and authority, and, in any case, subject to the terms and limitations of the Power of Attorney issued to them, to execute and deliver on behalf of the Company and to attach the seal of the Company to any and all bonds and undertakings, and other writings obligatory in the nature thereof, and any such instrument executed by such Attorney(s)-in-Fact shall be as binding upon the Company as if signed by an Executive Officer and sealed and attested to by the Secretary of the Company.

I, **Thomas E. Huijbregtse**, an Assistant Secretary of the **United States Fidelity and Guaranty Company**, do hereby certify that the foregoing are true excerpts from the Resolutions of the said Company as adopted by its Board of Directors on September 24, 1992 and that these Resolutions are in full force and effect.

I, the undersigned Assistant Secretary of the **United States Fidelity and Guaranty Company**, do hereby certify that the foregoing Power of Attorney is in full force and effect and has not been revoked.

In Testimony Whereof, I have hereunto set my hand and the seal of the **United States Fidelity and Guaranty Company**, on this **29th** day of **March**, 19 **99**



Thomas E. Huijbregtse  
Assistant Secretary